



COMMUNITY DEVELOPMENT ACTION GRANT PROGRAM

NOTICE OF FUNDING AVAILABILITY FOR FY 2006

Program Overview

The availability of Community Development Action Grant (CDAG) funding is based on an annual allocation of bond funds. Under Massachusetts General Law Chapter 121B Section 57A, the CDAG Program is authorized to fund community development projects to revitalize and redevelop decadent, substandard and blighted open areas for public benefit and in the public interest consistent with the sound needs of communities. Any Massachusetts city or town, or under special circumstances two or more communities working together to address regional economic development needs, may submit an application. The Department of Housing & Community Development (DHCD), through its Division of Community Services, is responsible for the administration and operation of the CDAG Program, including the review and approval of CDAG applications.

Application Due Date

The FY 2006 CDAG Application is due by 5:00 PM or the end of business on Thursday, February 17, 2005. Funding for the FY 2006 CDAG Program is limited and DHCD expects a highly competitive application round. The application is now available online at the DHCD website www.mass.gov/dhcd. Communities may also request an application form be mailed to them by contacting Cyrus Field, CDAG Coordinator, at cyrus.field@state.ma.us or by calling 617-573-1449. Applications must be submitted to: CDAG Program, DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114.

Project Eligibility

- Proposed projects must be publicly owned or managed.
- Public ownership or management is required for a period of not less than 30 years (i.e., the period of time that the state bonds issued to fund the program are outstanding).
- Individual CDAG awards are limited to a maximum of \$1 million.
- Proposed public projects must leverage a minimum of 1:2 local to CDAG funds.
- Proposed public projects must leverage private investment in the project area at a minimum of 2.5:1 private to CDAG funds and result in job creation.
- Proposed public projects must be ready to proceed within 120 days of award.

Evaluation and Scoring

CDAG applications will be accepted by DHCD according to annual funding rounds and availability of funds. The CDAG Project Application consists of three parts: CDAG statutory and program thresholds, CDAG



Project Evaluation Criteria, and the Commonwealth Capital Application. Proposed projects that do not meet CDAG statutory or program thresholds will not be scored. Once CDAG eligibility is established, DHCD will make funding recommendations for the CDAG Program based on:

1. The degree to which the proposed project meets CDAG statutory and program priorities:
 - Provides substantial employment or other direct benefit for low-income persons.
 - Significantly improves the condition of a low-income neighborhood.
 - Supports the production of affordable housing.
 - Supports/reinforces other community development investment by the Commonwealth.
 - Represents a special or unique opportunity to meet local priority needs.
 - Will have a significant impact on the economic condition of the community.
2. CDAG Project Evaluation Criteria score (80% of total score).
3. Commonwealth Capital Application's Municipal Land Use Regulation & Policy Criteria score (20% of total score).

Statutory Requirements

Certain thresholds must be met to ensure that the CDAG application is in compliance with statutory and program requirements, including:

1. **Public Hearing** - A public hearing relating to the proposed community development project has taken place before the appropriate municipal officers of the city or town.
2. **Official Certification** - Written determination from the municipality's Chief Elected Official or other authorized official that the project area is a decadent, substandard, or blighted open, including the date that the declaration was made.
3. **Public Benefit Documentation** - The proposed project will be of public benefit, in the public interest and for a public purpose, consistent with the sound needs of the community as a whole, and any benefit to private entities or individuals will be indirect and incidental and not the purpose of the project.
4. **Need for Public Action** - The project area would not by private enterprise alone and without government subsidy or exercise of governmental powers be made available for redevelopment
5. **Need for CDAG funds** - The CDAG grant request is both necessary and the minimum amount necessary to make the project feasible
6. **Economic Feasibility of the Public & Private Projects** - The proposed public and private components of the project are economically feasible and are likely to be completed and to generate the number of new jobs projected.
7. **Fiscal Impacts** - The proposed project will have a significant impact on the economic condition of the city or town, including the generation or retention of long-term employment.

8. **Commitment of all other funds** - Firm commitments of private and other public resources exist in the amounts sufficient, when added to the amount of the proposed grant, to render the project financially sound.
9. **Site Control** - Evidence that the community currently owns or manages the project site (e.g., Certificate of Title or deed). The community must own or manage the project site at the time of application submission. CDAG funds may be used for land acquisition. In all cases, the project site must be publicly owned or managed for a period of not less than 30 years.
10. **Permits and Approvals** - All permits and approvals, including any required zoning changes required for project implementation have been identified.

Evaluation Criteria

CDAG project evaluation criteria have been developed in accordance with Sustainable Development Principles set forth by the Commonwealth and will be used to evaluate and prioritize projects eligible for CDAG funding. Each of the three criteria sections contains a number of elements, and points are given if an element applies to the project. A project can score up to a maximum of 80 points in the evaluation criteria sections, which will be worth 80% of an application's overall score.

- **Criteria 1. Increase job opportunities and foster sustainable businesses that conserve natural resources.**

Healthy economic development is a critical component of sustainable communities, and families and individuals throughout the state are seeking opportunities to enhance their futures and to make their communities stronger and more competitive. Proposed projects for the CDAG Program should support the growth and expansion of existing businesses and/or attract new businesses with good jobs to locations near existing housing, infrastructure and transportation. For a business enterprise, fostering sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be required in the future. The CDAG Program seeks projects that strengthen and support economic development in industry clusters consistent with local and regional character, and businesses that utilize land, energy, water and materials efficiently.

- **Criteria 2. Redevelop first and promote concentrated development that provides transportation choices and expands housing opportunities.**

The CDAG Program supports projects that encourage the revitalization of community centers and neighborhoods where public investments already exist in the form of infrastructure, parks, schools, and other facilities. These projects may include redeveloping contaminated brownfield sites, preserving and adapting historic structures into new uses, adding new infill development compatible with the surrounding neighborhood, and clustering new development around city/town centers and transportation nodes.

Compact development fosters physical environments that promote communities with a strong sense of place, drawing uses into closer proximity with each other and supporting broader transportation choices such as mass transit, bicycling and walking. The CDAG Program seeks projects that encourage development where a variety of transportation modes can be made available, as well as projects that expand housing opportunities for a broad range of incomes and for diverse populations.

- **Criteria 3. Plan regionally and promote fair equitable development that respects the environment.**

Careful regional planning and coordination is needed in communities across the Commonwealth to provide balanced, equitable approaches to managing traffic, protecting open spaces and dealing with other critical environmental issues. The CDAG Program seeks projects that support the development and implementation of regional plans, have broad public support, and are consistent with Sustainable Development Principles. Projects should demonstrate inclusive community planning to ensure social, economic and environmental justice. In addition, projects should support the preservation and expansion, quantity and quality of open space, promoting development that respects and enhances the state's natural resources.

Commonwealth Capital Fund and Application

Beginning on July 1, 2004 the CDAG Program became part of the Commonwealth Capital Fund (CCF), an initiative directed by the Office for Commonwealth Development (OCD). Through this initiative, OCD is seeking to ensure the coordinated administration of state capital spending programs that affect development patterns so that state spending represents an investment in both projects that are consistent with sustainable development principles, and partnerships with municipalities that advance the Commonwealth's interests reflected in those principles.

To support this initiative, OCD is now evaluating and scoring communities (i.e., not proposed projects) applying for FY 2006 CDAG funding using the Commonwealth Capital Application's Municipal Land Use Regulation & Policy Criteria, available on the OCD website: www.mass.gov/oed/docs/comcap_application.pdf. Communities are scored on the use of their municipal powers to promote sustainable development and on their efforts to address sustainable development principles. OCD reviews submissions and notifies individual communities of their Commonwealth Capital Application score within 30 days.

Communities must submit their Commonwealth Capital Application to OCD prior to or at the same time as submission of their CDAG applications to DHCD. The Commonwealth Capital Application score will comprise 20% of a CDAG application's total score. Communities that have not submitted their Commonwealth Capital Applications by that date will not be eligible for any portion of the total points (20% of the score) tied to the application score.

Please note that Commonwealth Capital Application forms and technical assistance should be requested directly from OCD by contacting them at commcap@massmail.state.ma.us or by calling 617-626-4949.

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